

## § 901.11

## 20 CFR Ch. VIII (4–1–14 Edition)

Board, and shall agree to comply with these regulations and any other guidance as required by the Joint Board. A reasonable non-refundable fee may be charged for each application for enrollment filed.

(b) *Additional information.* The Joint Board or Executive Director, as a condition to consideration of an application for enrollment, may require the applicant to file additional information and to submit to written or oral examination under oath or otherwise.

(c) *Denial of application.* If the Joint Board proposes to deny an application for enrollment, the Executive Director shall notify the applicant in writing of the proposed denial and the reasons therefor, of his rights to request reconsideration, of the address to which such request should be made and the date by which such request must be made. The applicant may, within 30 days from the date of the written proposed denial, file a written request for reconsideration therefrom, together with his reasons in support thereof, to the Joint Board. The Joint Board may afford an applicant the opportunity to make a personal appearance before the Joint Board. A decision on the request for reconsideration shall be rendered by the Joint Board as soon as practicable. In the absence of a request for reconsideration within the aforesaid 30 days, the proposed denial shall, without further proceeding, constitute a final decision of denial by the Joint Board.

[42 FR 39200, Aug. 3, 1977, as amended at 76 FR 17769, Mar. 31, 2011]

### § 901.11 Enrollment procedures.

(a) *Enrollment.* The Joint Board shall enroll each applicant it determines has met the requirements of these regulations, and any other guidance as required by the Joint Board, and shall so notify the applicant. Subject to the provisions of subpart D of this part, an individual must renew his or her enrollment in the manner described in paragraph (d) of this section.

(b) *Enrollment certificate.* The Joint Board (or its designee) shall issue a certificate of enrollment to each actuary who is duly enrolled under this part.

(c) *Rosters*—(1) *Maintenance of rosters.* The Executive Director shall maintain rosters of—

(i) All actuaries who are duly enrolled under this part;

(ii) All individuals whose enrollment has been suspended or terminated; and

(iii) All individuals who are in inactive status.

(2) *Publication of rosters.* The Executive Director may publish any or all of the rosters, including display on the Joint Board's Web site, to the extent permitted by law.

(d) *Renewal of enrollment.* To maintain active enrollment to perform actuarial services under ERISA, each enrolled actuary is required to have his/her enrollment renewed as set forth herein.

(1) Each enrolled actuary must file an application for renewal of enrollment on the prescribed form no earlier than October 1, 2010, and no later than March 1, 2011, and no earlier than October 1 and no later than March 1 of every third year thereafter. If March 1 is a Saturday, Sunday, or holiday, the due date shall be the next day that is not a Saturday, Sunday, or holiday.

(2) The effective date of renewal of enrollment for an individual who files a complete renewal application within the time period described in paragraph (d)(1) of this section is the April 1 immediately following the date of application. The effective date of renewal of enrollment for an individual who files a complete renewal application after the due date described in paragraph (d)(1) of this section is the later of the April 1 immediately following the due date of application and the date of the notice of renewal.

(3) Forms required for renewal may be obtained from the Executive Director.

(4) A reasonable non-refundable fee may be charged for each application for renewal of enrollment filed.

(e) *Condition for renewal: Continuing professional education.* To qualify for renewal of enrollment, an enrolled actuary must certify, on the form prescribed by the Executive Director, that he/she has completed the applicable minimum number of hours of continuing professional education credit

required by this paragraph (e) and satisfied the recordkeeping requirements of paragraph (j) of this section.

(1) *Transition rule for renewal of enrollment effective April 1, 2011.* (i) A minimum of 36 hours of continuing professional education credit must be completed between January 1, 2008 and December 31, 2010. Of the 36 hours, at least 18 must consist of core subject matter; the remainder may be non-core subject matter.

(ii) An individual who received initial enrollment in 2008 must complete 24 hours of continuing professional education by December 31, 2010. An individual who received initial enrollment in 2009 must complete 12 hours of continuing professional education by December 31, 2010. In either case, at least one-half of the applicable hours must consist of core subject matter; the remainder may consist of non-core subject matter. For purposes of this paragraph (e)(1)(ii), credit will be awarded for continuing professional education completed after January 1 of the year in which initial enrollment was received.

(iii) An individual who receives initial enrollment during 2010 is exempt from the continuing professional education requirements during 2010, but must file a timely application for renewal during the time period described in paragraph (d)(1) of this section.

(2) *For renewal of enrollment effective April 1, 2014, and every third year thereafter.* (1) A minimum of 36 hours of continuing professional education credit must be completed between January 1, 2011 and December 31, 2013, and between January 1 and December 31 for each three-year period subsequent thereto.

(ii) An individual who receives initial enrollment during the first or second year of an enrollment cycle must satisfy the following requirements by the end of the enrollment cycle: Those enrolled during the first year of an enrollment cycle must complete 24 hours of continuing education; those enrolled during the second year of an enrollment cycle must complete 12 hours of continuing education. At least one-half of the applicable hours must be comprised of core subject matter; the remainder may be comprised of non-core subject matter. For purposes of this

paragraph (e)(2)(ii), credit will be awarded for continuing professional education completed after January 1 of the year in which initial enrollment was received.

(iii) An individual who receives initial enrollment during the third year of an enrollment cycle is exempt from the continuing education requirements until the next enrollment cycle, but must file a timely application for renewal.

(iv) For an individual who was initially enrolled before January 1, 2008 (and who has therefore completed at least one full enrollment cycle as of January 1, 2011), at least 12 hours of the 36 hours of continuing professional education required for each enrollment cycle must consist of core subject matter; the remainder may consist of non-core subject matter.

(v) For an individual who was initially enrolled on or after January 1, 2008, at least 18 hours of his or her 36 hours of continuing professional education required for the first full enrollment cycle must consist of core subject matter. Thereafter, for such individuals, for each subsequent enrollment cycle at least 12 hours of the 36 hours must consist of core subject matter. In each instance, the remainder may consist of non-core subject matter.

(vi) When core subject matter hours are required (including when an individual seeks to return to active status from inactive status), an individual must complete a minimum of two hours of continuing professional education credit relating to ethical standards, regardless of the total number of core hours required.

(f) *Qualifying continuing professional education—(1) In general.* To qualify for continuing professional education credit an enrolled actuary must complete his/her hours of continuing professional education credit under a qualifying program, within the meaning of paragraph (f)(2) of this section, consisting of core and/or non-core subject matter. In addition, a portion of the continuing professional education credit may be earned under the provisions of paragraph (g) of this section. In any event, no less than  $\frac{1}{3}$  of the total hours of continuing professional education credit required for an enrollment cycle

must be obtained by participation in a formal program or programs, within the meaning of paragraph (f)(2)(ii)(A) of this section.

(i) Core subject matter is program content and knowledge that is integral and necessary to the satisfactory performance of pension actuarial services and actuarial certifications under ERISA and the Internal Revenue Code. Such core subject matter includes the characteristics of actuarial cost methods under ERISA, actuarial assumptions, minimum funding standards, titles I, II, and IV of ERISA, requirements with respect to the valuation of plan assets, requirements for qualification of pension plans, maximum deductible contributions, tax treatment of distributions from qualified pension plans, excise taxes related to the funding of qualified pension plans and standards of performance (including ethical standards) for actuarial services. Core subject matter includes all materials included on the syllabi of any of the pension actuarial examinations offered by the Joint Board during the current enrollment cycle and the enrollment cycle immediately preceding the current enrollment cycle.

(ii) Non-core subject matter is program content designed to enhance the knowledge of an enrolled actuary in matters related to the performance of pension actuarial services. Examples include economics, computer programming, pension accounting, investment and finance, risk theory, communication skills, and business and general tax law.

(iii) The Joint Board may publish other topics or approve other topics which may be included in a qualifying program as core or non-core subject matter.

(iv) The same course of study cannot be used more than once within a given 36-month period to satisfy the continuing professional education requirements of these regulations. A program or session bearing the same or a similar title to a previous one may be used to satisfy the requirements of these regulations if the major content of the program or session differs substantively from the previous one.

(2) *Qualifying program*—(i) *In general.* A qualifying program is a course of learning that—

(A) Is conducted by a qualifying sponsor, within the meaning of paragraph (f)(3) of this section, who identifies the program as a qualifying program;

(B) Is developed by individual(s) qualified in the subject matter;

(C) Covers current subject matter;

(D) Includes written outlines or textbooks;

(E) Is taught by instructors, discussion leaders, and speakers qualified with respect to the course content;

(F) Includes means for evaluation by the Joint Board of technical content and presentation;

(G) Provides a certificate of completion, within the meaning of paragraph (f)(3)(iv) of this section, to each person who successfully completed the program; and

(H) Provides a certificate of instruction, within the meaning of paragraph (f)(3)(v) of this section, to each person who served an instructor, discussion leader, or speaker.

(ii) *Formal programs*—(A) *Participants.* Formal programs are programs that meet all of the requirements of this paragraph (f)(2)(ii) and paragraph (f)(2)(i) of this section. Whether a program qualifies as a formal program is determined on a participant-by-participant basis. A qualifying program qualifies as a formal program with respect to a participant if the participant simultaneously participates in the program in the same physical location with at least two other participants engaged in substantive pension service, and the participants have the opportunity to interact with another individual qualified with respect to the course content who serves as an instructor, whether or not the instructor is in the same physical location. Groups of three or more participants who are in the same physical location may participate in a formal program in person or via the Internet, videoconferencing, or teleconferencing. If the qualifying program is pre-recorded, to qualify as a formal program, there must be a qualified individual who serves as the instructor and is

available to answer questions immediately following the pre-recorded program.

(B) *Instructor.* A qualifying program is a formal program with respect to the instructor only if the program is a formal program under paragraph (f)(2)(ii)(A) of this section with respect to at least three participants and the instructor is in the physical presence of at least three other individuals engaged in substantive pension service.

(3) *Qualifying sponsors*—(i) *In general.* Qualifying sponsors are organizations recognized by the Executive Director whose programs offer opportunities for continuing professional education in subject matter within the scope of this section.

(ii) *Recognition by the Executive Director.* An organization requesting qualifying sponsor status shall file a sponsor agreement request with the Executive Director and furnish information in support of such request as deemed necessary for approval by the Executive Director. Such information shall include sufficient information to establish that all programs designated as qualifying programs offered by the qualifying sponsor will satisfy the requirements of paragraph (f)(2) of this section. Recognition as a qualifying sponsor by the Executive Director shall be effective when approved, unless the Executive Director provides that it shall be effective on a different date, and shall terminate at the end of the sponsor enrollment cycle. The Executive Director may publish the names of such sponsors on a periodic basis.

(iii) *Sponsor enrollment cycle*—(A) *Transition sponsor enrollment cycle.* The transition sponsor enrollment cycle is the period beginning on January 1, 2008 and ending December 31, 2011.

(B) *Subsequent sponsor enrollment cycles.* After the transition sponsor enrollment cycle, the sponsor enrollment cycle means the three-year period from January 1, 2012, to December 31, 2014, and every three-year period thereafter.

(iv) *Certificates of completion.* Upon verification of successful completion of a qualifying program, the program's qualifying sponsor shall furnish each individual who successfully completed the qualifying program with a certificate listing the following information:

- (A) The name of the participant.
- (B) The name of the qualifying sponsor.
- (C) The title, location, and speaker(s) of each session attended.
- (D) The dates of the program.
- (E) The total credit hours earned, the total core and non-core credit hours earned, and how many of those hours relate to ethics.
- (F) Whether or not the program is a formal program with respect to the participant.
- (v) *Certificates of instruction.* The program's qualifying sponsor shall furnish to each instructor, discussion leader, or speaker, a certificate listing the following information:
  - (A) The name of the instructor, discussion leader, or speaker.
  - (B) The name of the qualifying sponsor.
  - (C) The title and location of the program.
  - (D) The dates of the program.
  - (E) The total credit hours earned and the total core and non-core credit hours earned for the program, and how many of those hours relate to ethics.
  - (F) Whether or not the program is a formal program with respect to the instructor.
  - (g) *Alternative means for completion of credit hours*—(1) *In general.* In addition to credit hours completed under paragraph (f) of this section, an enrolled actuary may be awarded continuing professional education credit under the provisions of this paragraph (g).
    - (2) *Serving as an instructor, discussion leader or speaker.* (i) Four credit hours (that is, 200 minutes) of continuing professional education credit will be awarded for each 50 minutes completed as an instructor, discussion leader, or speaker at a qualifying program which meets the continuing professional education requirements of paragraph (f) of this section. If the qualifying program is a formal program with respect to the instructor, only the time spent during the actual program is counted toward satisfaction of the formal program requirement.
    - (ii) The credit for instruction and preparation may not exceed 50 percent of the continuing professional education requirement for an enrollment cycle.

(iii) Presentation of the same material as an instructor, discussion leader, or speaker more than one time in any 36-month period will not qualify for continuing professional education credit. A program will not be considered to consist of the same material if a substantial portion of the content has been revised to reflect changes in the law or practices relative to the performance of pension actuarial service.

(iv) Credit as an instructor, discussion leader, or speaker will not be awarded to panelists, moderators, or others who are not required to prepare substantive subject matter for their portion of the program. However, such individuals may be awarded credit for attendance, provided the other provisions of this section are met.

(v) The nature of the subject matter will determine if credit will be of a core or non-core nature.

(3) *Credit for publications.* (i) Continuing professional education credit will be awarded for the creation of peer-reviewed materials for publication or distribution with respect to matters directly related to the continuing professional education requirements of this section. Credit will be awarded to the author, co-author, or a person listed as a major contributor.

(ii) One hour of credit will be allowed for each hour of preparation time of the material. It will be the responsibility of the person claiming the credit to maintain records to verify preparation time.

(iii) Publication or distribution may utilize any available technology for the dissemination of written, visual or auditory materials.

(iv) The materials must be available on reasonable terms for acquisition and use by all enrolled actuaries.

(v) The credit for the creation of materials may not exceed 25 percent of the continuing professional education requirement of any enrollment cycle.

(vi) The nature of the subject matter will determine if credit will be of a core or non-core nature.

(vii) Publication of the same material more than one time will not qualify for continuing professional education credit. A publication will not be considered to consist of the same material if a substantial portion has been

revised to reflect changes in the law or practices relative to the performance of pension actuarial service.

(4) *Service on Joint Board advisory committee(s).* Continuing professional education credit may be awarded by the Joint Board for service on (any of) its advisory committee(s), to the extent that the Joint Board considers warranted by the service rendered.

(5) *Preparation of Joint Board examinations.* Continuing professional education credit may be awarded by the Joint Board for participation in drafting questions for use on Joint Board examinations or in pretesting its examinations, to the extent the Joint Board determines suitable. Such credit may not exceed 50 percent of the continuing professional education requirement for the applicable enrollment cycle.

(6) *Examinations sponsored by professional organizations or societies.* Individuals may earn continuing professional education credit for achieving a passing grade on proctored examinations sponsored by a professional organization or society recognized by the Joint Board. Such credit is limited to the number of hours scheduled for each examination and may be applied only as non-core credit provided the content of the examination is core or non-core. No credit may be earned for hours attributable to any content that is neither core nor non-core.

(7) *Joint Board pension examination.* Individuals may establish eligibility for renewal of enrollment for any enrollment cycle by—

(i) Achieving a passing score on the Joint Board pension examination, as described in § 901.12(d)(1)(i), administered under this part during the applicable enrollment cycle; and

(ii) Completing a minimum of 12 hours of qualifying continuing professional education by attending formal program(s) during the same applicable enrollment cycle. This option of satisfying the continuing professional education requirements is not available to those who receive initial enrollment during the enrollment cycle.

(h) *Measurement of continuing education course work.* (1) All continuing education programs will be measured in terms of credit hours. The shortest

recognized program will be one credit hour.

(2) A credit hour is 50 minutes of continuous participation in a program. Each session in a program must be at least one full credit hour, *i.e.*, 50 minutes. For example, a single-session program lasting 100 minutes will count as two credit hours, and a program comprised of three 75 minute sessions (225 minutes) constitutes four credit hours. However, at the end of an enrollment cycle, an individual may total the number of minutes of sessions of at least one credit hour in duration attended during the cycle and divide by fifty. For example, attending three 75 minute segments at two separate programs will accord an individual nine credit hours (450 minutes divided by 50) toward fulfilling the minimum number of continuing professional education hours. It will not be permissible to merge non-core hours with core hours.

(i) [Reserved]

(j) *Recordkeeping requirements*—(1) *Qualifying sponsors*. A qualifying sponsor must maintain records to verify that each program it sponsors is a qualifying program within the meaning of paragraph (f)(2) of this section, including the certificates of completion, certificates of instruction, and outlines and course material. In the case of programs of more than one session, records must be maintained to verify each session of the program that is completed by each participant. Records required to be maintained under this paragraph must be retained by the qualifying sponsor for a period of six years following the end of the sponsor enrollment cycle in which the program is held.

(2) *Enrolled actuaries*—(i) *Qualifying program credits as a participant*. To receive continuing professional education credit for completion of hours of continuing professional education under paragraph (f) of this section, an enrolled actuary must retain all certificates of completion evidencing completion of such hours for the three-year period following the end of the enrollment cycle in which the credits are earned.

(ii) *Qualifying program credits as an instructor, discussion leader, or speaker*. To receive continuing professional edu-

cation credit for completion of hours earned under paragraph (g)(2) of this section, an enrolled actuary must retain all certificates of instruction evidencing completion of such hours for the three-year period following the end of the enrollment cycle in which the credits are earned.

(iii) *Credit for publications*. To receive continuing professional education credit for a publication under paragraph (g)(3) of this section, the following information must be maintained by the enrolled actuary for the three-year period following the end of the enrollment cycle in which the credits are earned:

(A) The name of the publisher.

(B) The title and author of the publication.

(C) A copy of the publication.

(D) The date of the publication.

(E) The total credit hours earned, and the total core and non-core credit hours earned, and how many of those hours relate to ethics.

(iv) *Other credits*. To receive continuing professional education credit for hours earned under paragraphs (g)(4) through (g)(7) of this section, an enrolled actuary must retain sufficient documentation to establish completion of such hours for the three-year period following the end of the enrollment cycle in which the credits are earned.

(k) *Waivers*. (1) Waiver from the continuing professional education requirements for a given period may be granted by the Executive Director only under extraordinary circumstances, and upon submission of sufficient evidence that every effort was made throughout the enrollment cycle to participate in one or more qualifying programs that would have satisfied the continuing professional education requirements.

(2) A request for waiver must be accompanied by appropriate documentation. The individual will be required to furnish any additional documentation or explanation deemed necessary by the Executive Director.

(3) The individual will be notified by the Executive Director of the disposition of the request for waiver. If the waiver is not approved, and the individual does not otherwise satisfy the

continuing professional education requirements within the allotted time, the individual will be placed on the roster of inactive enrolled individuals.

(4) Individuals seeking to rely on a waiver of the continuing professional education requirements must receive the waiver from the Executive Director before filing an application for renewal of enrollment.

(1) *Failure to comply.* (1) Compliance by an individual with the requirements of this part shall be determined by the Executive Director. An individual who applies for renewal of enrollment but who fails to meet the requirements of eligibility for renewal will be notified by the Executive Director at his/her last known address by first class mail. The notice will state the basis for the non-compliance and will provide the individual an opportunity to furnish in writing, within 60 days of the date of the notice, information relating to the matter. Such information will be considered by the Executive Director in making a final determination as to eligibility for renewal of enrollment.

(2) The Executive Director may require any individual, by first class mail sent to his/her mailing address of record with the Joint Board, to provide copies of any records required to be maintained under this section. The Executive Director may disallow any continuing professional education hours claimed if the individual concerned fails to comply with such requirements.

(3) An individual whose application for renewal is not approved may seek review of the matter by the Joint Board. A request for review and the reasons in support of the request must be filed with the Joint Board within 30 days of the date of the notice of failure to comply.

(4) *Inactive status—(i) Automatic placement on the inactive roster.* To remain on the roster of active enrolled actuaries, an enrolled actuary must submit a timely application for renewal showing satisfaction of the requirements for reenrollment, including completion of the required continuing professional education hours, within the appropriate time frame. The Executive Director will move an enrolled actuary who does not submit such an applica-

tion for reenrollment from the roster of enrolled actuaries to the roster of inactive enrolled actuaries as of April 1 following the March 1 due date for the application. However, if an enrolled actuary completes the required number of continuing professional education hours after the close of the enrollment cycle, submits an application for reenrollment, and is informed by the Executive Director before April 1st that the enrollment has been renewed, then the Executive Director will not move such individual to the roster of inactive enrolled actuaries at that time.

(ii) *Placement on the inactive roster after notice and right to respond.* The Executive Director will move an enrolled actuary who does not submit a timely application of renewal that shows timely completion of the required continuing professional education to the inactive roster only after giving the enrolled actuary 60 days to respond as described in paragraph (1)(1) of this section.

(iii) *Length on time on inactive roster.* An individual may remain on the roster of inactive enrolled actuaries for a period up to three enrollment cycles from the date renewal would have been effective.

(iv) *Consequence of being on the inactive roster.* An individual in inactive status will be ineligible to perform pension actuarial services as an enrolled actuary under ERISA and the Internal Revenue Code. During such time in inactive status or at any other time an individual is ineligible to perform pension actuarial services as an enrolled actuary, the individual shall not in any manner, directly or indirectly, indicate he or she is so enrolled, or use the term “enrolled actuary,” the designation “E.A.,” or other form of reference to eligibility to perform pension actuarial services as an enrolled actuary.

(v) *Returning to active status.* An individual placed in inactive status may return to active status by filing an application for renewal of enrollment (with the appropriate fee) and providing evidence of the completion of all required continuing professional education hours and of satisfaction of any applicable requirements for qualifying experience under paragraph (1)(7) of

this section. If an application for return to active status is approved, the individual will be eligible to perform services as an enrolled actuary effective with the date the notice of approval is mailed to that individual by the Executive Director.

(5) *Time for return to active enrollment.*

(i) An individual placed in inactive status must file an application for return to active enrollment, and satisfy the requirements for return to active enrollment as set forth in this section, within three enrollment cycles of being placed in inactive status. Otherwise, the name of such individual will be removed from the inactive enrollment roster and his/her enrollment will terminate.

(ii) For purposes of paragraph (1)(5)(i) of this section, an individual who is in inactive or retired status as of April 1, 2010, will be deemed to have been placed in inactive status on April 1, 2010.

(6) An individual in inactive status may satisfy the requirements for return to active enrollment at any time during his/her period of inactive enrollment. If only completion of the continuing professional education requirement is necessary, the application for return to active enrollment may be filed immediately upon such completion. If qualifying experience is also required, the application for return to active enrollment may not be filed until the completion of both the continuing professional education and qualifying experience requirements set forth in this subsection. Continuing professional education credits applied to meet the requirements for reenrollment under this paragraph (1)(6) may not be used to satisfy the requirements of the enrollment cycle in which the individual has been placed back on the active roster.

(7) *Continuing professional education requirements for return to active enrollment from inactive status.* (i) During the first inactive enrollment cycle; 36 hours of qualifying continuing professional education as set forth in paragraph (e)(2) of this section, without regard to paragraph (e)(2)(ii) or (e)(2)(iii) of this section, must be completed. Any hours of continuing professional education credit earned during the imme-

diately prior enrollment cycle may be applied in satisfying this requirement.

(ii) During the second inactive enrollment cycle; four-thirds of the qualifying continuing professional education requirements as set forth in paragraph (e)(2) of this section (that is, 48 hours), without regard to paragraph (e)(2)(ii) or (e)(2)(iii) of this section, plus eighteen months of certified responsible pension actuarial experience, must be completed since the start of the first inactive enrollment cycle. Any hours of continuing professional education credit earned during the first inactive enrollment cycle may be applied in satisfying this requirement.

(iii) During the third inactive enrollment cycle; Five-thirds of the qualifying continuing professional education requirements as set forth in paragraph (e)(2) of this section, (that is, 60 hours), without regard to paragraph (e)(2)(ii) or (e)(2)(iii) of this section plus eighteen months of certified responsible pension actuarial experience, must be completed since the start of the second inactive enrollment cycle. Any hours of continuing professional education credit earned during the second inactive enrollment cycle may be applied in satisfying this requirement. No hours earned during the first inactive enrollment cycle may be applied in satisfying this requirement.

(8) An individual in inactive status remains subject to the jurisdiction of the Joint Board and/or the Department of the Treasury with respect to disciplinary matters.

(9) An individual who has certified in good faith that he/she has satisfied the continuing professional education requirements of this section will not be considered to be in non-compliance with such requirements on the basis of a program he/she has attended later being found inadequate or not in compliance with the requirements for continuing professional education. Such individual will be granted renewal, but the Executive Director may require such individual to remedy the resulting shortfall by earning replacement credit during the cycle in which renewal was granted or within a reasonable time period as determined by the Executive Director. For example, if six of the credit hours claimed were disallowed,



the individual may be required to present 42 credit hours instead of the minimum 36 credit hours to qualify for renewal related to the next cycle.

(m) *Renewal while under suspension or disbarment.* An individual who is ineligible to perform actuarial services and/or to practice before the Internal Revenue Service by virtue of disciplinary action is required to meet the requirements for renewal of enrollment during the period of such ineligibility.

(n) *Verification.* The Executive Director or his/her designee may request and review the continuing professional education records of an enrolled actuary, including programs attended, in a manner deemed appropriate to determine compliance with the requirements and standards for the renewal of enrollment as provided in this section. The Executive Director may also request and review the records of any qualifying sponsor in a manner deemed appropriate to determine compliance with the requirements of paragraphs (f)(3) and (j)(1) of this section.

(o) *Examples.* The following examples illustrate the application of the rules of paragraph (1)(7) of this section and the effective date of an enrolled actuary's renewal:

*Example 1.* Individual E, who was initially enrolled before January 1, 2008, completes 12 hours of core continuing professional education credit and 24 hours of non-core continuing professional education credit between January 1, 2011, and December 31, 2013. E files a complete application for reenrollment on February 28, 2014. E's reenrollment is effective as of April 1, 2014.

*Example 2.* Individual F, who was initially enrolled before January 1, 2008, also completes 12 hours of core continuing professional education credit and 24 hours of non-core continuing professional education credit between January 1, 2011, and December 31, 2013. However, F does not file an application for reenrollment until March 20, 2014. The Joint Board notifies F that it has granted F's application on June 25, 2014. Accordingly, effective April 1, 2014, F is placed on the roster of inactive enrolled actuaries. F returns to active status as of June 25, 2014. F is ineligible to perform pension actuarial services as an enrolled actuary under ERISA and the Internal Revenue Code from April 1 through June 24, 2014.

*Example 3.* Individual G, who was initially enrolled before January 1, 2008, completes only 8 hours of core continuing professional education credit and 24 hours of non-core

continuing professional education credit between January 1, 2011, and December 31, 2013. G completes another 6 hours of core continuing professional education on January 15, 2014, and files an application for return to active status on January 20, 2014. G's application shows the timely completion of 32 hours of continuing professional education plus the additional 4 hours of continuing professional education earned after the end of the enrollment cycle. The Joint Board notifies G that it has granted the application on April 20, 2014. Accordingly, effective April 1, 2014, G is placed on the roster of inactive enrolled actuaries. G returns to active status as of April 20, 2014. G is ineligible to perform pension actuarial services as an enrolled actuary under ERISA and the Internal Revenue Code from April 1 through April 19, 2014. Of the 6 hours of continuing professional education earned by G on January 15, 2014, only 2 hours may be applied to the enrollment cycle that ends December 31, 2016.

*Example 4.* (i) Individual H, who was initially enrolled before January 1, 2008, completes 5 hours of core continuing professional education credit and 10 hours of non-core continuing professional education credit between January 1, 2011, and December 31, 2013. Accordingly, effective April 1, 2014, H is placed on the roster of inactive enrolled actuaries and is ineligible to perform pension actuarial services as an enrolled actuary under ERISA and the Internal Revenue Code.

(ii) H completes 7 hours of core continuing professional education credit and 14 hours of noncore continuing professional education credit between January 1, 2014, and May 24, 2016. Because H has completed 12 hours of core continuing professional education and 24 hours of non-core continuing professional education during the last active enrollment period and the initial period when on inactive status, H has satisfied the requirements for reenrollment during the first inactive cycle. Accordingly, H may file an application for return to active enrollment on May 24, 2016. If this application is approved, H will be eligible to perform pension actuarial services as an enrolled actuary under ERISA and the Internal Revenue Code, effective with the date of such approval.

(iii) Because H used the 21 hours of continuing professional education credit earned after January 1, 2014, for return from inactive status, H may not apply any of these 21 hours of core and non-core continuing professional education credits towards the requirements for renewed enrollment effective April 1, 2017. Accordingly, H must complete an additional 36 hours of continuing professional education (12 core and 24 non-core) prior to December 31, 2016, to be eligible for renewed enrollment effective April 1, 2017.

*Example 5.* (i) The facts are the same as in *Example 4* except H completes 2 hours of core continuing professional education credit and

8 hours of non-core continuing professional education credit between January 1, 2014, and December 31, 2016. Thus, because H did not fulfill the requirements for return to active status during his first inactive cycle, H must satisfy the requirements of paragraph (1)(7)(ii) of this section in order to return to active status.

(ii) Accordingly, in order to be eligible to file an application for return to active status on or before December 31, 2019, H must complete an additional 38 hours of continuing professional education credit (of which at least 14 hours must consist of core subject matter) between January 1, 2017, and December 31, 2019, and have 18 months of certified responsible pension actuarial experience during the period beginning on January 1, 2014.

(iii) Note that the 5 hours of core continuing professional education credit and the 10 hours of non-core continuing professional education credit that H completes between January 1, 2011, and December 31, 2013, are not counted toward H's return to active status and are also not taken into account toward the additional hours of continuing professional education credit that H must complete between January 1, 2017, and December 31, 2019, in order to apply for renewal of enrollment effective April 1, 2020.

*Example 6.* (i) The facts are the same as in *Example 4* except H completes 2 hours of core continuing professional education credit and 8 hours of non-core continuing professional education credit between January 1, 2014, and December 31, 2016, and 12 hours of core continuing professional education credit and 24 hours of non-core continuing professional education credit between January 1, 2017, and December 31, 2019. Thus, because H did not fulfill the requirements for return to active status during his first or second inactive cycles, H must satisfy the requirements of paragraph (1)(7)(iii) of this section in order to return to active status.

(ii) Accordingly, in order to be eligible to file an application for return to active status on or before December 31, 2022, H must complete an additional 24 hours of continuing professional education credit (of which, at least 8 hours must consist of core subject matter) between January 1, 2020 and December 31, 2022, and have at least 18 months of certified responsible pension actuarial experience during the period beginning on January 1, 2017.

(iii) Note that the total of 15 hours of continuing professional education credit that H completes between January 1, 2011, and December 31, 2013, as well as the 10 hours of continuing professional education credit between January 1, 2014, and December 31, 2016, are not counted toward H's return to active status and are not taken into account toward the additional hours of continuing professional education credit that H must complete between January 1, 2020, and December

31, 2022, in order to be eligible to file an application for renewal of enrollment active status effective April 1, 2023.

*Example 7.* (i) Individual J, who was initially enrolled July 1, 2012, completes 1 hour of core continuing professional education credit and 2 hours of non-core continuing professional education credit between January 1, 2012, and December 31, 2013. Accordingly, effective April 1, 2014, J is placed on the roster of inactive enrolled actuaries and is ineligible to perform pension actuarial services as an enrolled actuary under ERISA and the Internal Revenue Code.

(ii) J completes 5 hours of core continuing professional education credit and 4 hours of non-core continuing professional education credit between January 1, 2014, and October 6, 2014. Because J did not complete the required 12 hours of continuing professional education (of which at least 6 hours must consist of core subject matter) during J's initial enrollment cycle, J is not eligible to file an application for a return to active enrollment on October 6, 2014, notwithstanding the fact that had J completed such hours between January 1, 2012, and December 31, 2013, J would have satisfied the requirements for renewed enrollment effective April 1, 2014.

(iii) Accordingly, J must complete an additional 24 hours of continuing professional education (of which at least 12 hours must consist of core subject matter) during his/her first inactive enrollment cycle before applying for renewal of enrollment.

*Example 8.* The facts are the same as in *Example 7* except that J completes 17 hours of core continuing professional education credit and 16 hours of non-core continuing professional education credit between January 1, 2014, and February 12, 2015. Accordingly, because as of February 12, 2015, J satisfied the continuing professional education requirements as set forth in paragraph (e)(2) of this section without regard to paragraph (e)(2)(ii) thereof, J may file an application for return to active enrollment status on February 12, 2015.

(p) With the exception of paragraphs (e)(1) and (f)(3)(iii) of this section, this section applies to the enrollment cycle beginning January 1, 2011, and all subsequent enrollment cycles.

[42 FR 39200, Aug. 3, 1977, as amended at 53 FR 34484, Sept. 7, 1988; 76 FR 17769, Mar. 31, 2011; 76 FR 81363, Dec. 28, 2011]

#### § 901.12 Eligibility for enrollment.

(a) *In general.* An individual applying to be an enrolled actuary must fulfill